

STATE OF INDIANA )  
 ) SS: BEFORE THE INDIANA  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE

IN THE MATTER OF: )  
 )  
Cigna HealthCare of Indiana, Inc. )  
900 Cottage Grove Road )  
Bloomfield, CT 06002 )

Examination of Cigna HealthCare of Indiana, Inc.

**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Cigna HealthCare of Indiana, Inc., any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 11, 2015, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Cigna HealthCare of Indiana, Inc. shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

6/26/2015  
Date

Cynthia D. Donovan  
Cynthia D. Donovan  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 91 7190 0005 2720 0044 8092**

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900 Cottage Grove Road )  
Bloomfield, CT 06002 )

Examination of Cigna HealthCare of Indiana, Inc.

### FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Cigna HealthCare of Indiana, Inc. (hereinafter "Company") for the time period January 1, 2012 through December 31, 2013.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on April 8, 2015.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 11, 2015 and was received by the Company on May 15, 2015.

The Company did not file any objections.

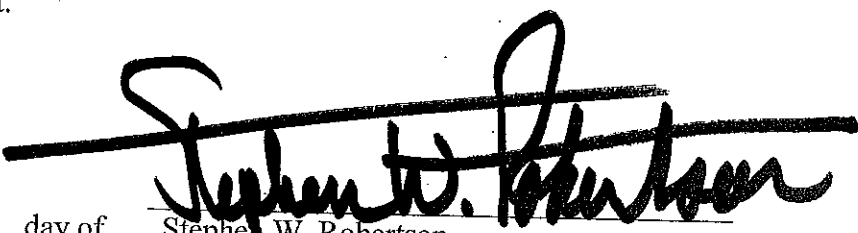
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Cigna HealthCare of Indiana, Inc. as of December 31, 2013.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Cigna HealthCare of Indiana, Inc. to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
  
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
  
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed and Sealed this 26<sup>th</sup> day of June, 2015.

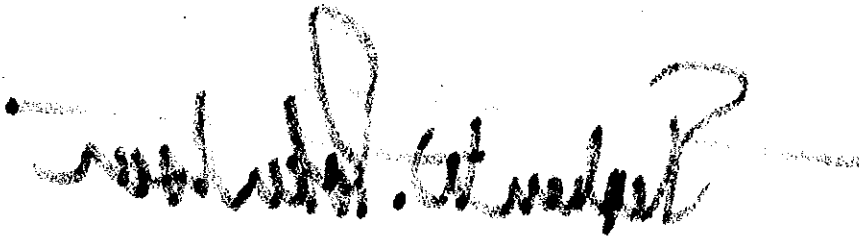
  
Stephen W. Robertson  
Insurance Commissioner  
Indiana Department of Insurance

## ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

A handwritten signature in cursive script, appearing to read "Michael J. Stumpf", written in black ink on a white background.

**STATE OF INDIANA**

**Department of Insurance**

**REPORT OF EXAMINATION**

**OF**

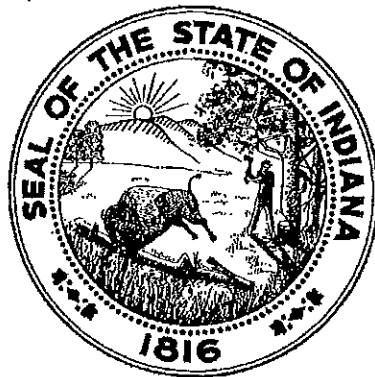
**CIGNA HEALTHCARE OF INDIANA, INC.**

NAIC Co. CODE 95525

NAIC GROUP CODE 0901

As of

December 31, 2013



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# STATE OF INDIANA

# IDOI

MICHAEL R. PENCE, Governor

**Indiana Department of Insurance**

311 W. Washington Street, Suite 300

Indianapolis, Indiana 46204-2787

Telephone: (317) 232-2385

Fax: (317) 232-5251

Stephen W. Robertson, Commissioner

April 8, 2015

Honorable Stephen W. Robertson, Commissioner  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3804, an examination has been made of the affairs and financial condition of:

**Cigna HealthCare of Indiana, Inc.**  
**900 Cottage Grove Road**  
**Bloomfield, Connecticut 06002**

hereinafter referred to as the "Company", or "Cigna Indiana", an Indiana health maintenance organization (HMO). The examination was conducted at the corporate offices of the Company in Bloomfield, Connecticut and at the Noble Consulting Services, Inc., office in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2013, is hereby respectfully submitted.

ACCREDITED BY THE  
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES (317) 232-2413    COMPANY COMPLIANCE (317) 233-0697    CONSUMER SERVICES (317) 232-2395    EXAMINATIONS/FINANCIAL SERVICES (317) 232-2390    MEDICAL MALPRACTICE SERVICES (317) 232-2402    SECURITIES/COMPANY RECORDS (317) 232-1991    STATE HEALTH INSURANCE PROGRAM 1-800-332-4674

## SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of the period ending December 31, 2011. The present risk-focused examination was conducted by Noble Consulting Services, Inc., (Noble) and covered the period from January 1, 2012 through December 31, 2013, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles, and Annual Statement instructions, when applicable to domestic state regulations.

The examination of the Connecticut domestic insurance companies of Cigna Corporation was called by the Connecticut Insurance Department (CID), in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The CID served as the lead state on the examination, and the following states served as participants: Arizona Department of Insurance, Colorado's Department of Regulatory Agencies - Division of Insurance, Georgia Department of Insurance, Illinois Department of Insurance, INDOI, Missouri Department of Insurance, North Carolina Department of Insurance, Tennessee Department of Commerce and Insurance, and the Texas Department of Insurance.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

## HISTORY

The Company is licensed as an HMO and commenced operations on September 21, 1986. The Company is a wholly-owned subsidiary of Healthsource, Inc., (the Parent) which is a wholly-owned subsidiary of Cigna Health Corporation (CHC), which is an indirect wholly-owned subsidiary of Cigna Corporation.

The Company is domiciled in Indiana and provides a range of healthcare benefit services including basic physician and hospital services, emergency room treatment, mental health, outpatient services, and substance abuse treatments through Cigna Behavioral Health, Inc. (CBH).

## CAPITAL AND SURPLUS

The Company has 20,000 shares authorized and 10,000 shares issued and outstanding. The par value is \$0.01 per share. All shares are Class A shares and the Company has no preferred stock outstanding. All outstanding shares are owned by the Parent.



## DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividend to the Parent during the examination period:

<u>Year</u>	<u>Total</u>	<u>Ordinary Dividends</u>	<u>Extraordinary Dividends</u>
2013	\$ -	\$ -	\$ -
2012	500,000	-	500,000
Total	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>

## TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact business exclusively in Indiana and only offers an HMO product. There is a continued focus on improving medical membership results and operational effectiveness. The Company recognizes that many employers still require access to traditional HMO coverage, and it has no plans to limit those offerings.

## GROWTH OF THE COMPANY

The following exhibit summarizes the financial results of the Company during the examination period:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Surplus and Other Funds</u>	<u>Total Revenues</u>	<u>Net Income</u>
2013	\$ 1,544,697	\$ 81,476	\$ 1,463,221	\$ 848,396	\$ (45,753)
2012	1,953,654	459,332	1,494,323	860,048	189,106

The Company's admitted assets decreased in 2013 primarily related to a decrease due to negative cash from operations and negative net cash from financing.

The Company's liabilities decreased in 2013 primarily due to the timing of the settlement of federal income tax payments and fluctuations in monthly fronted working capital and intercompany settlements.

The Company's net income decreased in 2013 primarily due to an increase in hospital and medical expenses, claims adjustment expenses, and general administrative expenses.

## MANAGEMENT AND CONTROL

### Directors

Per Company Bylaws, the Board of Directors shall consist of no more than eight (8) members. The number of directors may be increased or decreased from time to time by amendment to the Bylaws, provided that no decrease shall have the effect of shortening the term of any incumbent director. The directors of the Company shall be elected each year at the annual meeting of the shareholders.

The following is a listing of persons serving as directors at December 31, 2013, and their principal occupations as of that date:

Name and Address	Principal Occupation
David Goldberg West Hartford, Connecticut	Financial Analysis Director Connecticut General Life Insurance Company
Jaqueline Lee-McCord Anderson, Indiana	Provider Contracting Manager Cigna HealthCare of Indiana, Inc.
Sue Podbielski Glenview, Illinois	General Manager, Cigna HealthCare Middle Market Segment Connecticut General Life Insurance Company

### Officers

The Company's Bylaws state that the principal officers of the Company shall be chosen by the Board of Directors and hold office until the next annual meeting of the Board, until his or her successor shall have been elected and qualified, or until his or her death, resignation, removal by the shareholders of the Company, or failure to qualify to so serve. Officers shall consist of a Chairman of the Board, President, Vice President, Treasurer, Secretary, and Assistant Officers. Any two (2) or more offices may be held by the same person, and for any reason that the Board of Directors may deem sufficient, they may transfer or delegate the powers or duties of any officers to any other officer or officers for such length of time as the Board of Directors may determine.

The following is a listing of the officers and their respective titles as of December 31, 2013:

Name	Office
Sue Podbielski	President
Anna Krishtul	Secretary
Scott Lambert	Treasurer and Vice President
Anthony Padilla	Assistant Secretary
Robert Dawson	Vice President
Thomas Garvey	Vice President
Glenn Gerhard	Vice President
David Goldberg	Vice President
Aslam Khan, M.D., M.M.	Vice President
Kathleen McCabe	Vice President
Barry McHale	Vice President
Matthew Morris	Vice President
Robert Picinich	Vice President
David Porcello	Vice President
Maureen Ryan	Vice President
Timothy Sheridan	Vice President
Irene Sosnowski	Vice President
Edward Stacey, Jr.	Vice President
David Terry	Vice President

## CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2013.

## CORPORATE RECORDS

### Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

### Bylaws

There were no amendments made to the Bylaws during the examination period.

### Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

Indiana Code (IC) 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. For each year under review, the annual meeting of shareholders was not held within five (5) months following the close of each fiscal year. See the Other Significant Issues section in this Report of Examination.

## AFFILIATED COMPANIES

### Organizational Structure

The following abbreviated organizational chart shows the Company's upstream affiliates as of December 31, 2013:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
Cigna Corporation		DE
Cigna Holdings, Inc.		DE
Connecticut General Corporation		CT
Cigna Health Corporation		DE
Healthsource, Inc.		NH
<b>Cigna HealthCare of Indiana, Inc.</b>	<b>95525</b>	<b>IN</b>

### Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI as required, in accordance with IC 27-1-23-4.

*Amended and Restated Consolidated Federal Income Tax Agreement*

The Amended and Restated Consolidated Federal Income Tax Agreement, effective January 1, 1997, is between Cigna Corporation and certain of its subsidiaries. This agreement facilitates the filing of a consolidated federal income tax return as an affiliated group under Cigna Corporation. Per this agreement, tax payments are paid to Cigna Corporation based on the taxable income of the Company. In the case of a taxable loss, Cigna Corporation will pay the Company a refund based on the taxable loss, but only to the extent Cigna Corporation is able to utilize the loss in the consolidated tax return.

*Cigna Health Access Premium Billing Authorization Agreement*

The Cigna Health Access Premium Billing Authorization Agreement, effective June 1, 1996, is between Connecticut General Life Insurance Company (CGLIC) and the HMOs. The HMOs offer group and individual standard service agreements providing coverage of "in-network" health care services, and CGLIC supplements the HMOs' service agreements by providing group insurance coverage of "out-of-network" health care services. The Company paid no fees under this agreement in 2013.

*Dental Consultation Agreement*

The Dental Consultation Agreement, effective October 1, 2001, is between Cigna Dental Health, Inc., and the HMOs. Per the agreement, Cigna Dental Health, Inc., provides dental consultations at the request of Cigna Indiana with respect to selected dental cases. The Company paid no fees under this agreement in 2013.

*Guaranty Agreement*

The Guaranty Agreement between Cigna Indiana and CHC provides for payment of funds into the Company in the event that the Company does not meet such financial standards and requirements to ensure that the Company will be able to continue to operate and pay its obligations. Effective August 9, 2013, the parties have executed an amendment to the Guaranty Agreement in order to extend the term for two (2) years.

*Intracorp Agreement*

The Intracorp Agreement, amended and effective January 1, 2012, is between International Rehabilitation Associates, Inc., (Intracorp) CGLIC, and CHC on behalf of certain subsidiaries, including the Company. Intracorp provides consultative services with respect to utilization management, case management, demand management, disease management, care management, and any other consultative services in conjunction with the administration of such plans to the enrollees of the participating HMOs. The Company paid \$1,750 in fees under this agreement in 2013.

*Investment Advisory Agreement*

The Investment Advisory Agreement, amended and effective January 1, 2007, is between Cigna Indiana and Cigna Investments, Inc., where Cigna Investments, Inc., acts as the investment adviser for the Company. The Company paid \$1,257 in fees under this agreement in 2013.

*Line of Credit Agreement*

The Line of Credit Agreement is between Cigna Indiana and CHC. Under this agreement, CHC would loan funds to Cigna Indiana from time to time, to ensure that Cigna Indiana will be able to continue to meet its operational cash obligations while earning additional investment income. The Line of Credit Agreement was approved on September 30, 2005, and executed by Cigna Indiana on October 12, 2005. Cigna Indiana paid \$3,042 in fees under this agreement in 2013.

#### *Management Services Agreement*

The Management Services Agreement, amended and effective April 1, 2013, is between CHC and each of its subsidiaries or affiliates. Under this agreement, CHC and certain affiliates provide management services to the Company and its affiliated HMOs. The services provided are comprehensive in nature and include actuarial and banking services, claims processing and payment, financial reporting, legal, membership services, premium billing and collection, sales and marketing, and underwriting. The Company paid \$58,175 in fees under this agreement in 2013.

#### *Mental Health Services Agreement*

The Mental Health Services Agreement, effective July 1, 1990, is between CBH and CHC on behalf of their respective subsidiaries and affiliates, including HMOs. CBH provides mental health and substance abuse services to the enrollees of the HMOs. The Company paid \$14,076 in fees under this agreement in 2013.

#### *Network Access Agreement*

The Network Access Agreement effective June 1, 2001, is between CGLIC and certain subsidiaries of Cigna Corporation, including the HMOs. This agreement allows CGLIC and each of the HMOs to utilize the networks of participating providers (as defined in the agreement) maintained by its affiliated HMOs. Under the agreement, a HMO may also provide to or receive from other participants certain administrative services associated with network access. It also incorporates National Committee for Quality Assurance requirements applicable to the performance of certain functions related to network access, such as utilization management and quality management. The Company paid no administrative fees under this agreement in 2013.

#### *Reinsurance Agreement*

The Reinsurance Agreement, amended and restated as of January 1, 1994, is between the Company and CGLIC. Per the agreement, the Company pays a monthly premium based on an established rate per member. In return for premium paid, the Company is reimbursed a percentage of costs in excess of a deductible for hospital and related services provided to individual members. On July 1, 2002, the Company executed an amendment to the Reinsurance Agreement substituting revised Schedules B and C. On January 1, 2003, the Company executed an amendment to the Reinsurance Agreement substituting a revised Schedule B. On January 1, 2007, the Company executed an amendment to the Reinsurance Agreement adding certain payment terms and substituting a revised Schedule B. On January 1, 2012, the Company executed an amendment to the Reinsurance Agreement substituting a revised Schedule C. Effective January 1, 2013, the Reinsurance Agreement was amended to change the reinsurer to CHLIC for claims incurred January 1, 2013 onwards. The Company paid premiums to CGLIC in the amount of \$11,476 and received no recoveries in 2013.

#### *Tel-Drug Agreement*

The Tel-Drug Agreement, effective January 1, 2005, is between Tel-Drug, Inc., Tel-Drug of Pennsylvania, LLC, its affiliates, and certain subsidiaries of CHC, including the Company. Under this agreement, Tel-Drug, Inc., and Tel-Drug of Pennsylvania, LLC provide mail order pharmaceutical services. The Company paid no fees under this agreement in 2013.

### **FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by National Union Fire Insurance Company of Pittsburgh. The bond has a single loss coverage limit of \$5,000,000, with a \$2,500,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2013, including, but not limited to, automobile liability, commercial general liability, directors' and officers' liability, fiduciary liability, umbrella liability, and workers' compensation.

**PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS**

Per the Management Services Agreement, CHC provides substantially all services necessary to conduct the business of Cigna Indiana, including, but not limited to, the services described in the Management Services Agreement detailed above. As a result, Cigna Indiana does not directly have any employees to which pension, stock ownership, and insurance plans would be applicable.

**STATUTORY DEPOSITS**

The Company reported the following statutory deposits at December 31, 2013:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Indiana	\$ 560,939	\$ 561,568
Total Deposits	<u>\$ 560,939</u>	<u>\$ 561,568</u>

**REINSURANCE**

The need for reinsurance is limited to serve the statutory requirements of IC 27-13-16, which requires an HMO to have a plan for receivership that allows for the continuation of benefits after the date of receivership. Cigna Indiana's only reinsurance agreement is with an affiliate.

**ACCOUNTS AND RECORDS**

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2012 and December 31, 2013, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2012 and December 31, 2013, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

CIGNA HEALTHCARE OF INDIANA, INC.

Assets

As of December 31, 2013

	<u>Per Examination*</u>
Bonds	\$ 897,679
Cash, cash equivalents and short-term investments	638,778
Subtotals, cash and invested assets	<u>1,536,457</u>
Investment income due and accrued	2,114
Current federal and foreign income tax recoverable and interest thereon	6,126
Total	<u>\$ 1,544,697</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

CIGNA HEALTHCARE OF INDIANA, INC.  
 Liabilities, Surplus and Other Funds  
 As of December 31, 2013

	<u>Per Examination*</u>
Claims unpaid	\$ 49,053
Unpaid claims adjustment expenses	1,233
Aggregate health policy reserves	420
Net deferred tax liability	14,982
Ceded reinsurance premiums payable	950
Amounts withheld or retained for the account of others	2,157
Amounts due to parent, subsidiaries and affiliates	9,620
Aggregate write-ins for other liabilities	3,061
Total liabilities	81,476
Common capital stock	100
Gross paid in and contributed surplus	26,748,244
Unassigned funds (surplus)	(25,285,123)
Total capital and surplus	1,463,221
Total liabilities, capital and surplus	\$ 1,544,697

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.



CIGNA HEALTHCARE OF INDIANA, INC.  
Statement of Revenue and Expenses  
For the Year Ended December 31, 2013

	Per Examination*
Member Months	1,449
Net premium income	\$ 848,396
Total revenues	848,396
<b>Hospital and Medical:</b>	
Hospital/medical benefits	492,830
Other professional services	18,431
Outside referrals	27,363
Emergency room and out-of-area	36,327
Prescription drugs	161,694
Incentive pool, withhold adjustments, and bonus amounts	36
Total Hospital and Medical	736,681
Claims adjustment expenses, including \$18,145 cost containment expenses	27,827
General administrative expenses	147,362
Increase in reserves for life and accident and health contracts	(1,800)
Total underwriting deductions	910,070
Net underwriting gain or (loss)	(61,674)
Net investment income earned	11,019
Net investment gains (losses)	11,019
Net income or (loss) after capital gains tax and before all other federal income taxes	(50,655)
Federal and foreign income taxes incurred	(4,902)
Net income (loss)	\$ (45,753)

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

CIGNA HEALTHCARE OF INDIANA, INC.  
Capital and Surplus Account Reconciliation

	2013	2012
Capital and surplus prior reporting year	\$ 1,494,323	\$ 1,794,449
Net income or (loss)	(45,753)	189,106
Change in net deferred income tax	16,849	9,710
Change in nonadmitted assets	73	1,058
Dividends to stockholders	-	(500,000)
Aggregate write-ins for gains or (losses) in surplus	(2,271)	-
Net change in capital and surplus	<u>(31,102)</u>	<u>(300,126)</u>
Capital and surplus end of reporting period	<u>\$ 1,463,221</u>	<u>\$ 1,494,323</u>

### COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2013, based on the results of this examination.

### OTHER SIGNIFICANT ISSUES

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. It is recommended that the Company comply with IC 27-1-7-7(b) and hold its annual meeting within five (5) months after the close of each fiscal year.

### SUBSEQUENT EVENTS

The Company provided documentation for the annual meeting of shareholders held subsequent to the end of the examination period and prior to the completion of fieldwork, in compliance with IC 27-1-7-7-(b).



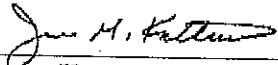
**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., hereinafter collectively referred to as the "Examiners", performed an examination of Cigna HealthCare of Indiana, Inc., as of December 31, 2013.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

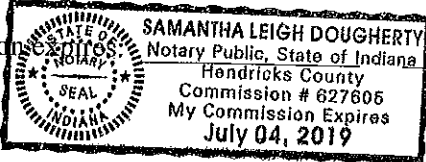
The attached Report of Examination is a true and complete report of the condition of Cigna HealthCare of Indiana, Inc., as of December 31, 2013, as determined by the undersigned.

  
\_\_\_\_\_  
James Kattman, CFE  
Noble Consulting Services, Inc.

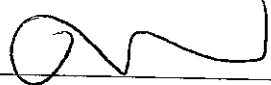
State of: Indiana  
County of: Marion

On this 28 day of April, 2015, before me personally appeared, James Kattman, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires  \_\_\_\_\_

**SAMANTHA LEIGH DOUGHERTY**  
Notary Public, State of Indiana  
Hendricks County  
Commission # 627605  
My Commission Expires  
July 04, 2019

  
\_\_\_\_\_  
Notary Public

THE UNIVERSITY OF CHICAGO  
DIVISION OF THE PHYSICAL SCIENCES  
DEPARTMENT OF CHEMISTRY  
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